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Business in Ayn Rand's *Atlas Shrugged*

EDWARD W. YOUNKINS

ABSTRACT: *Atlas Shrugged* is a novel about business and the people who create businesses. This article describes Ayn Rand's treatment of business and entrepreneurs in the novel. It begins with an explanation of how *Atlas Shrugged* demonstrates that wealth and profit are creations of the human mind. The next section compares the worldviews of the novel's business heroes and villains. This is followed by an in-depth analysis of the novel's main business protagonists—Dagny Taggart and Hank Rearden. The next part provides summaries of other business characters. The last section examines how the novel is used in college-level business courses.

Atlas Shrugged is very much a novel about business and the individuals located in the world of business. Businesspeople have always been among *Atlas Shrugged*'s most ardent admirers. They are thrilled to find a novel that understands, respects, and recognizes the value of what they do. In *Atlas Shrugged*, Rand clearly celebrated businesses from the industrial era (such as railroads, steel mills, and coal mines) that were dominant in America during her lifetime. In addition to championing industrial processes and producers in the novel, she also embraces the potential of future new technologies such as Galt's motor,

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which would supply "the cleanest, swiftest, cheapest means of motion ever devised" (Rand 1957, 289).

Instead of heavy industries, today's leading-edge companies and emerging technologies include software and information technology, biotechnology, logistics, social networks, telecommunications, photonics, nanotechnology, and so on. Despite this, the fundamental principles and virtues for business success in today's industries are the same as the ones illustrated in *Atlas Shrugged*. Readers can learn these from Rand's business heroes and learn what not to do from her business villains. In *Atlas Shrugged*, Rand provides crucial insights into business and especially the connections between business and the virtues.

This article provides a description of Rand's treatment of business and businesspeople in *Atlas Shrugged*. The first section discusses how this novel illustrates that wealth and profit are products of the human mind and that they are created by adding value to the world through the production of desirable and needed products and services. The following section compares, at a general level, the worldviews, motivations, strategies, and tactics of the business heroes and villains in *Atlas Shrugged*. The next part takes a detailed look at the novel's main producer-protagonists, Dagny Taggart and Hank Rearden. This is followed by a section that provides snapshot portraits of other *Atlas Shrugged* characters embedded in the business world. The last part of this essay is devoted to a discussion of how *Atlas Shrugged* is being used in college and university business courses.

Wealth Creation, Profit, and the Motive Power of the Human Mind

Wealth, in the form of goods and services, is created when individuals recombine and rearrange the potential resources that the world comprises. Something does not become a resource until its possible uses are discovered and developed. Wealth increases when someone conceives of and produces a more valuable configuration of the earth's substances. Although abeyant resources or raw materials are finite, the human mind, through ingenuity and creativity, is able to continually increase the wealth of the world (Simon 1996). Profits are a person's reward for wealth creation. The core of business is wealth creation through the offering of desirable goods and services.

Entrepreneurs create wealth by offering what is perceived to be a more valuable combination of resources than the combination that existed previously. Profits are an entrepreneur's reward for increasing the wealth of individuals in society. The entrepreneur does not profit at the expense of others. Rather, he gains because the product of his actions is judged to be worth more than what

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existed before his undertaking. *Atlas Shrugged* portrays wealth creators as able, rational, and visionary individuals who pursue their goals persistently in the face of obstacles and adversities.

In the Valley, Ellis Wyatt says to Dagny,

> "What's wealth but the means of expanding one's life? There's two ways one can do it: either by producing more or by producing it faster. And that's what I'm doing: I'm manufacturing time. . . . I'm producing everything I need. I'm working to improve my methods, and every hour I save is an hour added to my life. . . . That's the savings account I'm hoarding. . . . Wealth, Dagny? What greater wealth is there than to own your own life and to spend it on growing?" (721–22)

To be successful, entrepreneurs must objectively perceive reality and rationally process and evaluate information. They must detect information gaps between consumer wants and needs and the potential of a new but as yet undeveloped product or service to meet those wants and needs. They must anticipate new markets and consumers' future wants and needs, learn from competitors' successes and failures, accumulate capital for their projects, acquire the needed resources, coordinate numerous activities and employee skills, and take risks by trading present and known values for resources that promise only a potential future value. Profit is payment for the entrepreneur's thought, vision, initiative, determination, efficiency, risk taking, and effectiveness.

Atlas Shrugged illustrates that the profit-and-loss system in a voluntaristic society is just and moral. A person's wealth under capitalism depends upon his productive achievements and the choice of others to recognize them. When pursuing profits, one must appeal to the interests of others. Profits indicate that a businessperson has pleased his fellow consumers by using resources to produce a product or render a service at costs below the value that people place upon the product or service. The firm making profits is using resources in a manner that satisfies what people want and need. Losses indicate that a businessperson has failed to deal with his fellow consumers efficiently.

This exchange takes place at a press conference where Hank Rearden is asked about his profit motive for building the John Galt Line with Rearden Metal. Rearden states,

> "Inasmuch as the formula of Rearden Metal is my own personal secret, and in view of the fact that the Metal costs much less to produce than you boys can imagine, I expect to skin the public to the tune of twenty-five per cent in the next few years."

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> "What do you mean, skin the public, Mr. Rearden?" asked the boy. "If it's true, as I've read in your ads, that your Metal will last three times longer than any other and at half the price, wouldn't the public be getting a bargain?"
>
> "Oh, have you noticed that?" said Rearden. (235)

In *Discovery, Capitalism, and Distributive Justice* (1989), Israel Kirzner explains that before a profit opportunity is discovered it cannot be said to have existed in any economically intelligible and meaningful sense. The discoverer, who creates an opportunity and brings something into existence, is justly entitled to it. The discovery of the possibility that a certain act would be worthwhile actually created the opportunity's existence. It follows that the discovering entrepreneur is entitled to the profit he has created. The following exchange between James Taggart and Cherryl Brooks reflects this insight. Jim says,

> "Rearden. He didn't invent smelting and chemistry and air compression. He couldn't have invented his Metal but for thousands and thousands of other people. *His* Metal! Why does he think that it's his? Why does he think that it's his invention? Everybody uses the work of everybody else. Nobody ever invents anything." (Rand 1957, 262)

The puzzled Cherryl responds: "But the iron ore and all those other things were there all the time. Why didn't anybody else make that Metal, but Mr. Rearden did?" (262).

When Eugene Lawson, past president of the Community National Board of Madison boasts that he has never made a profit in his entire life, Dagny solemnly responds: "Mr. Lawson, I think that I should let you know that of all the statements a man can make, *that* is the one I consider most despicable" (313).

Hank Rearden tells the judges at his trial, "I work for nothing but my own profit—which I make by selling a product they need to men who are willing and able to buy it. I do not produce it for their benefit at the expense of mine, and they do not buy it for my benefit at the expense of theirs; I do not sacrifice my interests to them nor do they sacrifice theirs to me; we deal as equals by mutual consent to mutual advantage—and I am proud of every penny that I have earned in this manner" (480).

Rand illustrates in *Atlas Shrugged* that the mind is the root cause of wealth and profit. It is the skilled thinkers and doers who create and maintain wealth and promote prosperity. Even inherited wealth requires entrepreneurship for it to be retained. In *Atlas Shrugged* the passionate and productive prime movers

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include Hank Rearden, Dagny Taggart, Ken Danagger, Ellis Wyatt, Midas Mulligan, Dan Conway, and Andrew Stockton, among others.

For example, Hank Rearden has the vision to foresee the possible future value, uses, and benefits of a new metal alloy that will take him ten years to invent and bring to market. He wants to make real his dream of developing a revolutionary metal that is stronger and lighter than steel. He is well-prepared and motivated to take on this pursuit. Beginning as a teenager, Rearden held various jobs in steel-related businesses. Eventually, he owned and operated ore, coal, limestone, and steel businesses. Not only does Rearden Metal enable Hank to earn his desired profits, its use in railroad tracks enables the John Galt Line to earn more profits by running faster and hauling more freight at lower costs to Colorado's industrial shippers who themselves, as a result, also earn greater amounts of income. These industrialists are able to expand their operations, purchase more resources, hire more employees, build more products that benefit their customers, and make greater profits—the rewards for wealth creation.

Bradley (2011) has commented that energy is at the center of business life in *Atlas Shrugged*. To begin with there are John Galt's revolutionary motor, Ellis Wyatt's oil fields, Ken Danagger's coal mines, Taggart Transcontinental and the Phoenix-Durango's railroads, Hammond and Nielson's automobile factories, Roger Marsh's electrical appliance company, Andrew Stockton's foundry, Dwight Sanders's airplane factory, and so on. In addition, the book portrays an energy planning agency (i.e., the Bureau of Economic Planning and Control), government intervention with energy, oil shortages, gasoline shortages, electricity blackouts, energy rationing, conservation edicts, an Industrial Efficiency Award, public utility regulation, common carrier regulation, and so on.

In discussing the importance of locomotives, Eddie Willers says to John Galt, who is disguised as a railroad worker, "Motive power—you can't imagine how important that is. That's the heart of everything. . . . What are you smiling at?" (Rand 1957, 63). The next paragraph, which begins a new chapter, reads,

> Motive power—thought Dagny, looking up at the Taggart Building in the twilight—was its first need; motive power, to keep that building standing, to keep it immovable. It did not rest on piles driven into granite; it rested on the engines that rolled across a continent. (64)

Entering the motor room of the locomotive during the initial run of the John Galt Line, Dagny contemplates what the engines depend upon:

> They *are* alive she thought, because they are the physical shape of the action of a living power—of the mind that had been able to grasp the

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> whole of this complexity, to set its purpose, to give it form. For an instant, it seemed to her that the motors were transparent and she was seeing the net of their nervous system. It was a net of connections, more intricate, more crucial than all of their wires and circuits: the rational connections made by that human mind which had fashioned any one part of them for the first time.
>
> They are alive, she thought, their soul operates them by remote control. Their soul is in every man who has the capacity to equal this achievement. Should the soul vanish from the earth, the motors would stop because *that* is the power which kept them going—the power of a living mind—the power of thought and choice and purpose. (246)

Through her characters, Rand illustrates that human reason, insight, choice, creativity, and motivated action are the keys to productivity and wealth creation. Human beings have the intelligence to discern new possibilities, to discover the earth's productive potential, and to realize their creative insights through their persistent efforts.

Producers versus Looters: A Conflict of Visions

Not only is *Atlas Shrugged* a novel about philosophy, politics, and economics, it is also very much a novel about business and businesspeople. Much of its action takes place in commercial settings, and many of its protagonists and antagonists are situated in business establishments.[1] While many of the novel's heroes run businesses, so do a number of its villains. Of course, Rand distinctly differentiates between businesspersons and those who merely are referred to as such because they are associated with a business. Not every person referred to as a businessperson is authentic. Many of the inauthentic businesspeople do not understand that reality is an absolute and that rationality is needed to deal with reality.[2]

At a general level, we have the producers and the looters. *Atlas Shrugged* follows the effects of the battle of the thinkers and producers versus the predators and parasites across the entire economy and over a long period. The clash is between those who do business by voluntary trade and profit through their initiative and productive ability and those who operate through force and fraud and "profit" by means of political power.

Atlas Shrugged illustrates that business qua business serves those who wish to trade and does not make use of coercion. When a failed or faltering business is rescued by a government handout, it is no longer a genuine business. Likewise, when businesspersons obtain results outside the market framework

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by receiving special privileges granted by the government, they forfeit their status as legitimate businesspersons. These special privileges include bailouts, price supports, subsidized loans, trade protection, resource privileges, grants of monopoly, and more.

The thinkers and doers are rationally purposeful, are dedicated to their work, achieve their goals through their initiative, thought, and action, concentrate on continual improvement, innovation, and earning their profits, understand that earned wealth is the effect of an entrepreneur's moral status, and despise mediocrity and collectivism. *Atlas Shrugged* makes clear that, because life requires the production of values, legitimate entrepreneurial actions are morally proper. Rand's heroes flourish and find happiness in producing what others value.[3]

In contrast, the looters attack reason, are reactive to outside forces, advocate the morality of altruism, profit by dealing with dishonest politicians, avoid rationality and productivity by utilizing pressure groups and political pull to exploit the wealth created by the prime movers, and wrongly believe that they will gain moral status and self-esteem through such expropriation. The looter businessmen fear genuine competition and surrender their independence, resourcefulness, and creativity for the protection of government regulation. These crony capitalists gain their results outside the marketplace by running to the government for special privileges that protect them from open competition. They tend to be supporters of government planning, spending, regulation, and redistribution.

Both the producers and the looters want to obtain money, but there is a critical difference between their methods for doing so. The prime movers make money by creating products and offering services that their customers need and want to make their lives better. The looters' goal is to gain money, the result of production, via government force and/or altruism. They believe that money is meaningful no matter how it is obtained. The noncreators are content with money acquired through corruption, dishonesty, backhanded deals, and altruism.

An example of crony capitalism or crony statism in *Atlas Shrugged* is the arrangement between James Taggart and Orren Boyle through which the "Anti-dog-eat-dog rule" and the "Equalization of Opportunity Bill" come about. Taggart employs Boyle to use his connections to get the National Alliance of Railroads to adopt the Anti-dog-eat-dog rule to destroy Taggart's chief competitor in Colorado, Dan Conway's outstanding Phoenix-Durango Railroad. In return, Boyle gets Taggart to use his political connections in Washington to divest Hank Rearden of his ore mines through the passage of the Equalization of Opportunity Bill. Rearden is forced to give up his iron and coal businesses in order to provide business opportunities for his struggling

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competitors. Ideas such as "social responsibility" and "public interest" are used to sell the propriety of both of these decrees to the public. Many businesspeople in the real world operate in the same manner as rent-seekers, James Taggart and Orren Boyle, running to their political connections rather than by being productive, efficient, and innovative.

Dagny is angry and disgusted at the unethical and undeserved liquidation of Dan Conway's Phoenix-Durango Railroad through a vote of the members of the National Alliance of Railroads. Unlike her brother, she would never consider making money through the unjust destruction of a competitor. She runs to Conway and urges him to fight them, but he declines. The only way that she would like to put the Phoenix-Durango out of business is through honest competition by providing the best railroad service in Colorado.

While in Galt's Gulch, composer Richard Halley tells Dagny that legitimate entrepreneurs are examples of a human being's highest creative spirit:

> "Whether it's a symphony or a coal mine, all work is an act of creating and comes from the same source: from an inviolate capacity to see through one's own eyes—which means: the capacity to see, to connect and to make what had not been seen, connected, and made before. That shining vision which they talk about as belonging to the authors of symphonies and novels—what do they think is the driving faculty of men who discover how to use oil, how to run a mine, how to build an electric motor? That sacred fire which is said to burn within musicians and poets—what do they suppose moves an industrialist to defy the whole world for the sake of his new metal, as the inventors of the airplane, the builders of the railroads, the discoverers of new germs or new continents have done through all the ages?" (782–83)

In his speech, John Galt discusses the nature of authentic businesspeople:

> "I have called out on strike the kind of martyrs who had never deserted you before. I have given them the weapon they had lacked, the knowledge of their own moral value. I have taught them that the world is ours, whenever we choose to claim it, by virtue and grace of the fact that ours is the Morality of Life. They, the great victims who had produced are the wonder of humanity's brief summer, they, the industrialists, the conquerors of matter, had not discovered the nature of their right. They had known that theirs was the power. I taught them that theirs was the glory." (1051)

In his "Money Speech," Francisco states,

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> "To the glory of mankind there was, for the first and only time in history, a *country of money*—and I have no higher, more reverent tribute to pay to America, for this means: a country of reason, justice, freedom, production, achievement. For the first time, man's mind and money were set free, and there were no fortunes-by-conquest, but only fortunes by work, and instead of swordsmen and slaves, there appeared the real maker of wealth, the greatest worker, the highest type of human being—this self made man—the American industrialist." (414)

Atlas Shrugged offers profound insights regarding the virtues that lead to morality and success in business. A case can be made that virtues should serve as a foundation for achieving a firms' goals, values, and purposes. Virtues, as rational moral principles, need to be integrated with a company's vision, culture, and climate. Rand's novel demonstrates the presence or the absence of these principles in the lives of the various characters. They include rationality, honesty, justice, independence, integrity, productiveness, and pride.[4]

Morality in business entails objectively recognizing individual rights by treating customers, employees, creditors, shareholders, and others as autonomous rational individuals with their specific goals and desires. Justice is the virtue of granting to each individual that which he objectively deserves. A virtuous businessperson must make certain that customers get what they pay for and needs to hire the most talented employees and reward them for what they achieve. In addition, specific contractual agreements with creditors and others must be respected. Also, managers are the employees of the stockholders and have a contractual, fiduciary, and moral responsibility to fulfill their wishes. They have the obligation to use the shareholders' money for specifically authorized projects that are in the shareholders' interest. In *Atlas Shrugged*, the business protagonists are just in their business relations with their actual and potential employees, suppliers, business partners, customers, competitors, and other parties. They discriminate based only on performance, ability, and character.

The notion advanced by the looters in *Atlas Shrugged* that the producers should have a social conscience and an obligation to produce for society is similar to today's expectation that businesses have a social responsibility. At his trial, Hank Rearden goes out of his way not to apologize for his income and his wealth. He recognizes that a firm's social responsibility is to respect the natural rights of individuals while earning profits for the owners of a business. There is no special morality for businesses. The pursuit and earning of profit does not require moral absolution through social responsibility. There is no justified reason for an honest entrepreneur to be ashamed of his profession, to feel guilty about his earnings, or to think that he needs to "give back" in order to earn respect.

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Atlas Shrugged demonstrates that production metaphysically precedes consumption and that productiveness is a virtue. We must produce before we can consume. It is production that originates demand for other products and services. Rationality and self-interest are prerequisites of production. A legitimate entrepreneur's actions are morally proper because life requires the production of values. The self-actualizing rational producer in *Atlas Shrugged* is the visible hand in markets. It is businesspeople, entrepreneurs, and industrialists who are prime movers in the economy. In *Atlas Shrugged*, Hank Rearden is the exemplar of a virtuous and productive businessman.

The Primary-Producer Protagonists: Dagny Taggart and Hank Rearden

Achiever and creator, Dagny Taggart, the intellectual equal of Ayn Rand's male heroes, is perhaps the strongest female protagonist in Western literature. Free of inner conflict, she is passionately creative and comfortable with respect to her fundamental relationship to existence. She is a model of synthesis, unity, and mind-body integration. Dagny personifies the values of independence, individualism, purpose, and self-actualization.

Dagny is an engineer and the operating vice-president of a transcontinental railroad, who deals with every industry and every policy of the looters. Because of her integrating context, she has contact with every industry, thus permitting the reader to see the total scope of modern industrial civilization.

Dagny, like Hank Rearden, is a self-initiator who goes by her own judgments and is the motive power of her own happiness. Unlike Rearden, she does not feel guilty for her achievements. Dagny is a purposeful, strong, and passionately creative embodiment of mind-body unity. She understands that the world both lives because of the work of the prime movers and then hates them for it. The parasites both need the creators and despise them at the same time. They desire to exploit the creators and then make them take blame for their actions. Dagny realizes that it is because producers are concerned with nature and reason that they are able to create within the reality of an objective and knowable universe. According to Dagny, "the sight of an achievement was the greatest gift a human being could offer to others" (237). She knows that material production is an expression of man's highest aspect and defining characteristic—his reasoning and creative mind. It is the mind that enables individuals to deal with physical reality. Dagny recognizes that the creators are wrongly expected by many people to feel guilty for their virtues. Of course, the creators are guilty only of not claiming their moral value and virtues.

Dagny chooses romantic partners who affirm her positive sense of life, which involves the integration of values, including love and sex. She

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understands that love is an emotional response, as are friendship and admiration, when one encounters a person who embodies his or her values. Dagny's romances with Francisco, Rearden, and Galt exemplify what a relationship between two integrated and self-actualized persons can be. Her relationships illustrate that sex is the supreme form of admiration of one human being for another and that the values of one's mind are connected to the actions of one's body.

Although Dagny is a paragon of mind-body integration, she does not fully understand the world's situation and is conflicted because of this lack of knowledge. Salmieri (2007) notes that Dagny thinks that the strikers are "giving up."[5] Although she realizes that it is wrong to live and work under the rule of the looters, she also believes that it is immoral and dishonorable to surrender the world to them. She views quitting as a form of resignation or capitulation. Dagny does not want to give up Taggart Transcontinental but does not realize that by staying in the world she is giving the looters the means to enslave her. By remaining in the world she is sanctioning her enemies' moral code. Her willingness to continue to fight the looters in the world indicates that she does not completely understand the full value of herself and of the other producers. Dagny also does not totally comprehend that it is at root a battle of very different philosophical premises.

At one point in the novel, Dagny is on a "mini-strike" of herself when Directive 10-289 is passed. The Taggart Tunnel Disaster is an effect of this directive and of Dagny's absence. She is not there to advise regarding the situation. The disaster is the effect of the mind's absence and thus concretizes the novel's theme of the importance of the mind in human existence.

Salmieri explains that for most of the story Dagny wrongly believes that the looters love their lives and that they want to live. We could say that she is on the "wrong track." She thinks that she can make them see the truth and that she can win the battle. Dagny does not want to abandon the greatness of the world of the producers. Throughout part 3 of the novel she progressively comes to realize that the irrational looters are indifferent, are purposeless, and do not value their lives. This begins to become apparent to her when she meets with Mr. Thompson and the other looter-politicians. At that point, she is on the verge of understanding that the strike is required by the nature of existence and is thus the embodiment of rational egoism. She and the other heroes will ultimately realize that the looters' irrational doctrines are not errors of knowledge but instead are conscious breaches of morality.

Throughout most of the novel, Dagny believes she is right to go on in a world that she does not fully understand that is somehow stopping her from achieving her values. She needed to check her premises. She did not comprehend that Taggart Transcontinental and other great enterprises are only values in a certain

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context and that the required context of freedom no longer existed in the looters' world. She ultimately realizes that the looters do not value her products or those of the other producers. By the end of the story, she understands what motivates the looters. At the close of the novel she understands the contradictions in her principles and the need to go on strike. She realizes that there is no chance of winning by staying in the world of the looters. Dagny recognizes that justice cannot be attained by submitting to injustice.

Dagny has a fuller and more explicit conception of morality than Rearden does and is more morally consistent than he is. Her error is that she does not fully understand the looters' moral code and motives. Although she sees Rearden's moral error, she is blind to her own. She understands that the looters' policies have the effect of keeping the men of the mind from functioning at their best, but she does not grasp that such obstruction is, in fact, their intention. This is an intention that they desire to hide even from themselves. It is inconceivable to Dagny that the looters actually want to destroy the creators. Their motive becomes fully clear to her when they want to torture and/or kill Galt rather than to switch course and rescue themselves. It becomes apparent to her that she must quit when she realizes that the looters do not desire to live and that they are motivated by hatred for Galt and the other prime movers, for themselves, and for existence. Prior to this point she believed that the looters would eventually comprehend the uselessness of their policies and would concede. Because she thought that they were rational and that they wanted to live, she fought to save Taggart Transcontinental and to force the looters to give up (Wright 2007).[6]

Hank Rearden is a great industrialist who, despite accepting the mind-body dichotomy, is the primary human instantiation of Atlas in *Atlas Shrugged*. He is a master of reality whose erroneous surface ideas do not corrupt his essential character and subconscious in terms of his psycho-epistemology. Although Rearden's words and ideas sanction an unearned guilt, his actions belie his words. Down deep he does not believe the notion of the mind-body split. His error is the inconsistent application of rational principles in different aspects of his life.

Rearden is a self-made man who is devoted to productive work and achievement. In the beginning of the novel his existence is schizophrenic and compartmentalized with a most satisfying work life and a bad family life. Hank works passionately and enthusiastically and then feels guilty about it.

His family members, especially his nihilist wife Lillian, desire to destroy his greatness and do all they can to make him feel guilty for his productivity, work ethic, and rational achievement. As a result, Rearden feels a guilty sense of obligation toward his family and attempts to atone, in an altruistic sense, to their many accusations.

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Hank and the other industrialists are the worst victims of the conventionally accepted altruist-collectivist philosophy. It is the mistaken sanction by the men of ability that paves the way for the parasites and statist looters who want the creators to produce for the world and then to suffer for doing so. A moral code based on altruism and the idea of a mind-body split holds the creators guilty because of their greatest virtues. This moral code is used as a weapon against Rearden who does penance by sentencing himself to many years of selfless service to his family and to the looters. Once Rearden and the other producers gain an understanding of the looters' evil and of the importance of their own morality, they will attain the sense that life is about accomplishment and joy rather than suffering and disaster.

Not only is he a constant victim of the looters, his relatives, and his associates, Hank also views his passion for Dagny Taggart as animalistic and degrading. When Rearden finds himself desiring Dagny, his split-self experiences a meltdown. Riddled with guilt, Hank is worried about his wife and his lack of virtue. He considers his forced love for his wife to be virtuous and thinks that his authentic love for Dagny is wrong and a guilty pleasure. Early in the novel, Hank has concluded that sex is purely physical, degrading, lustful, sinful, and of no spiritual meaning. Although Rearden himself is a very sexual being, he regards sex as a lower bodily urge.

For a great part of the novel, Rearden experiences an internal civil war between the principles of the creators in his work and the principles of the looters and moochers in the rest of his life. Hank desperately needs to import to his personal life the same principles that he uses in his productive life. It is under the tutelage of Francisco and Dagny that Rearden slowly awakens to the truth, understands the motives of the looters and of his family, and realizes his own virtues and values. They assist Hank in integrating his productivity and sexual desire with each other and with his self-worth.

Salmieri explains that throughout the novel Rearden comprehends more deeply and progressively the causes of, and interrelationships between, the various problems he faces in his personal life and work life. The story of his liberation from guilt is one in which many strands and threads of his new realizations are woven together. For example, he sees the connection between the guilt surrounding the sale of Rearden Metal to Ken Danagger and the guilt associated with his affair with Dagny. Throughout the novel, the connection between economics and romance becomes ever more explicit. By the end of the story he understands the evil of the idea of the mind-body dichotomy. Rearden's discussion with Francisco at James and Cherryl's wedding reception aids in Rearden's liberation from guilt. Francisco introduces a more philosophical perspective to Rearden and to the readers when he tells Rearden that he is willing to bear too much suffering. This talk gives Rearden a moral sanction and leads

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him to realize that he has been guilty in accepting a wrong moral code and of giving the looters and his family a moral sanction based on that wrong code of morality. He comes to understand that he should not accept condemnation from a false moral code. Rearden learns from Francisco that the guilt is his own because he has been willing to bear punishment for what were really his virtues. Hank voices at his trial what he has learned:

> "I am earning my own living, as every honest man must. I refuse to accept as guilt the fact of my own existence and the fact that I must work in order to support it. I refuse to accept as guilt the fact that I am able to do it and do it well. I refuse to accept as guilt the fact that I am able to do it better than most people—the fact that my work is of greater value than the work of my neighbors and that more men are willing to pay me. I refuse to apologize for my ability—I refuse to apologize for my success—I refuse to apologize for my money." (Rand 1957, 480)

Throughout much of the novel, Rearden needs to absolve himself of his unearned and undeserved moral guilt that had damaged his moral estimate of himself and of his capability for self-esteem. He needs to attain a belief in his own morality and in his right to self-esteem. His limited tacit approval of the ethics of altruism is behind his failure to comprehend the role and existence of moral values and ideals in his life (Wright 2007).

Hank Rearden's decision to go on strike takes a long time to develop. Until his discussion with Tinky Holloway and the other looters regarding the proposed Steel Unification Plan, Rearden had thought that the looters would ultimately be rational. During this encounter the looters make irrational claims on Rearden to produce for them. Under the Steel Unification Plan, Rearden will go bankrupt no matter what his output happens to be and Orren Boyle's Associated Steel will receive the majority of Rearden's profits. After the confrontation, Rearden drives back to his mills, happens upon the dying Wet Nurse, is saved by Francisco (disguised as worker "Frank Adams"), and listens to Galt's logic as delivered to him by Francisco. In the next chapter, "The Concerto of Deliverance," Rearden disappears to Mulligan's Valley. Now seeing the truth, he recognizes that he must give up the world in order to save it.

By understanding morality and himself in terms of the metaphysical principle of mind-body integration, Hank is freed from the self-sacrifice ethics that underpin his servitude. It is Rearden's inner conflict that drives the plot and it is his liberation from his mistaken premises and ultimate conscious acceptance of his subconscious Objectivist premises that resolve the conflict. In the end, he no longer feels guilty for his greatest virtues.

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Wright (2007) explains that Dagny and Rearden's misjudgment is that they consider evil to be powerless and view the looters' policies as self-defeating. They do not understand for much of the story that these are impotent unless they are empowered by the good (i.e., by themselves and the other creators). It is only the producers' toleration and tacit acceptance of the looters' moral code that makes the devastating results possible. The producers had allowed their enemies to write the moral code. Before Dagny and Rearden can effectively battle their enemies, they must come to understand how they are complicit in their own victimization. Irrational (i.e., evil) people and their schemes can succeed only if they are helped and supported by rational (i.e., good) individuals. Actually, Rearden accepts this conflict only in his personal life and Dagny does not accept it at all. However, she believes that the looters have made an error, but will come around only if she can show them the invalidity of their beliefs through her productive achievements.

Atlas Shrugged demonstrates that the greater a person's productive ability, the greater are the penalties he endures in the form of regulations, controls, and the expropriation and redistribution of his earned wealth. This evil, however, is made possible only by the sanction of the victims. By accepting an unearned guilt—not for their vices but for their virtues—the achievers have acquiesced in the political theft of their minds' products. *Atlas Shrugged* shows the creators being sacrificed to the parasites and also dramatizes that the irrational looters need the assistance of rational people in order to "succeed." The moral code of self-sacrifice is used against and accepted by many of the creators who are made to feel guilt for their achievements and wealth. This is the "sanction of the victim" moral principle. The fact that Galt understands this principle and that Dagny and Rearden fail to comprehend it establishes the major plot conflict in the story. In order to fight the altruist foundation of statist political economy, the men of the mind will need to withdraw their sanction.

Rearden, Dagny, and the other prime movers suffer spiritually and begin to view life as a mental weight and weary load rather than as a joy. Rearden's spiritual suffering runs deeper than Dagny's. Rearden lacks an explicit awareness of objective morality that Dagny possesses. He is open to attack because in his conscious beliefs he is oblivious to correct morality. Whereas Dagny never questions her right to her own happiness and self-esteem, Rearden does question his right to them. This destroys him spiritually and produces the foundation for his material exploitation. His partial acceptance of altruism despiritualizes his pursuit of happiness and his capacity for self-esteem. Rearden does not explicitly realize that he is operating by a moral code in his work life. Of course, he does so implicitly. His work life epitomizes morality as it leads to production, life, and life-enhancing values. Although he was proud of his thinking and acting, he did not explicitly identify these as moral and virtuous.

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He failed to identify the source of his pride as a moral value and as morally justified (Wright 2007).

Other Business Characters

Francisco d'Anconia inherited the world's largest copper mining company that has been in his family since the days of the Spanish Empire. A man of tremendous ability and intelligence, he is purposeful, courageous, benevolent, and enthusiastic. Francisco admires productive work and money making and is dedicated to d'Anconia Copper. As a young man his stated goal was to be worthy of what he had inherited by expanding the already massive d'Anconia Copper empire. Francisco is the first person to join John Galt's strike when he sees that the majority of people had abandoned reason. Although he is connected to the strikers in Galt's Gulch, he remains in the outside world in order to recruit additional strikers and to accelerate the fall of the anti-reason and anti-life world. As President of d'Anconia Copper, Francisco deliberately, gradually, and systematically destroys his own company that is under threat of nationalization. By doing so he also helps to bring down the looter American businessmen who invested in his company, contributes to the destruction of other industrial concerns, and deprives people of benefiting from the accomplishments of his ancestors. This ironic character poses as a profligate playboy in order to camouflage his real purposes and essential nature.

Eddie Willers is Dagny's dedicated, indispensible, competent, and diligent chief assistant. His title is special assistant to the vice-president of operations of Taggart Transcontinental. Attached to the company, he is loyal to it and to Dagny. Eddie admires the achievements of productive geniuses such as Hank Rearden, Ellis Wyatt, and others. He is not a genius but is rational, realistic, and highly moral. He always wanted to do "Whatever is right" (Rand 1957, 6). Eddie is John Galt's unwitting accomplice, revealing information to Galt who is disguised as a common track worker in the employee cafeteria.

Dan Conway is the middle-aged owner and president of the Phoenix-Durango Railroad in Colorado. He built what was once a tiny railroad into the dominant railroad in the Southwest and Taggart Transcontinental's chief competitor in Colorado. His railroad supplies superior freight service to his commercial customers. This prompts James Taggart to conspire to get the National Alliance of Railroads, a private association, to pass the Anti-dog-eat-dog rule, which puts the Phoenix-Durango out of business. He does not want to fight, accepts his defeat, and retires to his ranch in Arizona. Although Conway loves what he does, he does not protest being sacrificed because of the majority vote of the association members. Dagny urges him to fight but he declines. Conway explains that, although he does not think that it is right that he is sacrificed, he

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promised to obey the majority and, therefore, has no right to object. He has been taught to obey a moral code that makes him a willing victim. He says,

> "Dagny, the whole world's in a terrible state right now. I don't know what's wrong with it, but something's very wrong. Men have to get together and find a way out. But who's to decide which way to take unless it's the majority? I guess that's the only fair way of deciding; I don't see any other. I suppose somebody's got to be sacrificed. If it turns out to be me, I have no right to complain." (78)

Later, Conway does take somewhat of a stand when he refuses to sell his Colorado railroad to James Taggart.

Ellis Wyatt is the most productive of Colorado's industrialists. The young, quick-tempered, and innovative entrepreneur devises a method for extracting oil from shale rock, thus creating an economic boom in Colorado. His production of oil from shale is eerily similar to today's fracking. Wyatt's oil enables other industrialists to run their machinery effectively and efficiently. Wyatt's company is the pillar of Colorado's economy. When the destructive Colorado Directives force the state's profitable firms to share the suffering by redistributing their earnings, Ellis Wyatt is prompted to quit. In an act of defiance Wyatt sets fire to his wells, resulting in "Wyatt's Torch," and disappears. He left behind a board nailed to a post containing a hand written note stating, "I am leaving it as I found it. Take over. It's yours" (336). These directives also put other companies out of business and destroyed the Rio Norte Line. The Colorado Directives precipitated the retirement and disappearance of many productive and competent Colorado industrialists including Andrew Stockton (foundry), Laurence Hammond and Ted Neilson (automobiles), Dwight Sanders (airplanes), and Roger Marsh (electrical appliances), among others. Of the above productive individuals, Stockton is the only one who does the same work in Mulligan's Valley as he did in the outside world.

Ken Danagger is a no-nonsense, prototypical self-made coal producer and friend of Hank Rearden. He began as a coal miner and advanced to become owner of Danagger Coal in Pennsylvania. He and Hank make a private agreement to circumvent legal restrictions on the amount of Rearden Metal that could be sold to one individual. Danagger and Rearden are indicted and charged with subverting government orders when Rearden sells an illegal amount of his metal to Danagger. He joins the strike after listening to the logic of the "destroyer" (Galt) just before Rearden's trial.

Financier Midas Mulligan was the owner of Mulligan Bank and was the richest man in the world. As a realist, he makes loans only to people who he judges will pay them back with adequate interest. He can tell whether or not

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a person is a good risk or not by judging his character, productive ability, and record. Mulligan joins the strike when a court orders him to grant a loan to the undeserving president of Amalgamated Service Corporation, Lee Hunsacker. Mulligan purchases a remote valley in the Colorado Rockies. This valley becomes Galt's Gulch where the able and competent "men of the mind" gather. Midas runs a bank in Galt's Gulch where all transactions must be made in gold.

Tony, the Wet Nurse, is a young man just out of college who is assigned by Washington bureaucrats to be deputy director of distribution at Rearden's mills to enforce government policies. He began as a cynic who was taught nothing except moral relativism by his professors. He does not believe that there are any absolutes. Throughout the novel, he learns about values, comes to admire and respect Hank Rearden for his morality and productiveness, and recognizes the looters' evil. He asks Hank for a job, and Rearden tells him that he would hire him gladly and at once but that he cannot because of the looters' restrictions. Hearing that from Rearden is what really matters to the Wet Nurse. Ultimately, he loses his life while protecting Rearden's mills.

Mr. Ward is the decent, hardworking president of Ward Harvester Company, a small, solid firm that has been in his family for four generations. When Orren Boyle's Associated Steel fails to deliver the steel that he needs he goes to see Hank Rearden desperately in need of help. His company will go out of business if he does not get the required materials. He and Hank share the same values and virtues. Mr. Ward greatly needs to obtain some Rearden Metal to keep his business running. In order to do so he is willing to sell at a loss and to pay Rearden anything that he asks. Rearden responds positively to Mr. Ward's request. In the middle of Hank's quest to find the extra metal that Ward requires, Gwen Ives informs Rearden that the Equalization of Opportunity Bill had just passed. The shocked Mr. Ward gets up to leave and Rearden tells him to stay while they complete their deal. Rearden says,

> "We had business to transact, didn't we? . . . Mr. Ward what is it that the foulest bastards on earth denounce us for, among other things? Oh yes, for our motto of 'Business as usual.' Well—business as usual, Mr. Ward." (212)

Gwen Ives is Hank Rearden's efficient, professional, and loyal secretary. She and Dagny Taggart are the only two working women in business in *Atlas Shrugged* whom we see performing good work. She understands the evil of the looters' ideology and breaks down in tears when she learns about the passing of the Equalization of Opportunity Bill. When Rearden retires and disappears, he advises her to leave the firm and make a run for it, which she does.

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Dick McNamara of Cleveland is the competent contractor who completed the San Sebastián Line for Taggart Transcontinental. Dagny initially lines up the reliable contractor to lay the new Rearden Metal track for the Rio Norte (i.e., John Galt) line. He is one of the best contractors in the country and gets his projects done right and on time. Unfortunately, despite a thriving business, he walks out. He is one the first of Dagny's business associates to vanish mysteriously. Forced to find a replacement contractor, Dagny hires Ben Nealy. Nealy sees no role for intelligence in human accomplishments, does not exert much effort, is disorganized, is reluctant to make decisions, and requires constant instruction from Dagny. He expresses the erroneous Marxist belief that only physical labor creates value: "Muscles, Miss Taggart . . . muscles—that's all it takes to build anything in the world" (162).

James Taggart is the primary business villain in *Atlas Shrugged*. He epitomizes the looters' unreason, is reluctant to depend upon his own business judgments and fears and dislikes businesspeople who do rely upon their own evaluations. James frequently takes credit for Dagny's decisions and relies on her to get him out of trouble. In addition, in his efforts to gain wealth, he tries to ride on Francisco's intelligence. He is anti-effort and wants the unearned. James is a parasite and a whim-worshipper who manipulates and deceives people in order to fake self-esteem to himself. Also, he is afraid that he will be held responsible for anything. Taggart has a strong sense of inferiority and needs to feel superior. Jim does not possess the skills, energy, and ability required for legitimate business success. Down deep he finds his self-deception ridiculed by the existence of individuals with real ability, values, and virtues. He obtains money by using his political connections to garner subsidies or to get regulations passed that stifle his competitors. He thinks that by gaining wealth in that manner he will achieve moral status and self-esteem. James spends most of his time on public relations, cultivating friendships and knowing the people who make things possible rather than being concerned with facts and reality. He would rather deal with his friends than those who are best suited to produce the desired results. For example, Jim deals with Orren Boyle, who will either deliver the product late or not at all. He rationalizes to others and to himself that he is motivated by his altruistic love for others and his dutiful concern for social justice. By the end of the novel, he realizes that he is actually a nihilist operating on a death premise and that he wants to destroy the good because it is good.

Orren Boyle is a friend of James Taggart and owner of Associated Steel. He started with a hundred thousand dollars of his own and obtained government loans in the amount of two hundred million to purchase a number of struggling steel firms that he merged into Associated Steel. In *Atlas Shrugged*, he uses his political connections and a too-big-to-fail argument to obtain even more help from the government. Boyle runs his company badly; he is either late fulfilling

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his orders or does not deliver the product at all, and measures his company's success based on its popularity. He is disdainful of efficiency monopolies and dominant producers, says that private property is a trusteeship for benefit of society as a whole, and contends that he wants everyone to have a fair chance of getting iron ore. He says that he wants to pass the Equalization of Opportunity Bill in order to preserve the steel industry "as a whole." The collectivist philosophy that he espouses portrays a world in which no one can survive at the same time that others fail. This implies that all firms participate in a process that should yield equal benefits to all. Of course, his real goal is to divest Hank Rearden of his ore mines and have them turned over to Paul Larkin, who would give Associated Steel the first opportunity to purchase the ore.

Both James Taggart and Orren Boyle are at war with reality. They are postmodern "businessmen" who think that they can create the reality that they desire merely by wanting it, thinking it, and persuading others to share in a narrative that supports their desires. They believe that social reality creates its own reality and that they can control reality by having the right political connections, the appropriate public relations strategies, and enough people having the desired opinion about them and their companies.

The Starnes heirs (Eric, Gerald, and Ivy) bankrupt the Twentieth Century Motor Company with their socialist scheme in which the employees as a group voted to determine the needs of each employee as well as the production expected of each worker based on an evaluation of his ability. They considered their father, Jed Starnes, to be an evil man who cared for nothing but money and business. Their plan was based on the principle of selflessness and required men to be motivated by love for their brothers rather than by personal gain. In effect, they put into practice the Marxist slogan "From each according to his ability, to each according to his need." They believed that the fulfillment of the needs of others is a person's greatest moral imperative. It follows that it is the inability to create value that merits rewards, rather than the ability to create value. When the plan failed, Ivy complained that it was defeated by greed and maintained that the plan was a noble idea but that human nature was not good enough for it.

Lee Hunsacker had been the incompetent president of Amalgamated Service Corporation, which had taken over the Twentieth Century Motor Company. Midas Mulligan refused to grant Hunsacker a loan because of his past record of failures. Feeling that he was entitled, he brought suit against Mulligan under a law that said that people were not allowed to discriminate against anyone in a matter involving that person's livelihood. After Judge Narragansett instructed the jury to bring in a verdict for Mulligan, Hunsacker appealed the verdict, which was reversed by a higher court. Both Mulligan and Narragansett disappeared shortly thereafter. Eventually, Hunsacker was able to get a loan from the

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"banker with a heart," Eugene Lawson of the Community National Bank, who had collectivist, humanitarian loan policies. Predictably, Amalgamated went bankrupt.

Paul Larkin is a weak, unsuccessful businessman who acts like he is Hank Rearden's friend. He is actually in on the deal that strips Hank of his iron ore and coal mines. In fact, when the Equalization of Opportunity Bill is passed he takes possession of Rearden's ore mines and tells Hank that he will always consider the ore mines to belong to Rearden. Of course, this is untrue and Larkin gives Orren Boyle the initial opportunity to get the ore.

Atlas Shrugged in the Business School

Novels, as well as plays and films, are excellent teaching tools for communicating ideas to students. A well-constructed and compelling story can engage students and make a subject more vital to them. Fiction provides students with interesting material that does not seem like hard work. The result is that novels tend to have greater teaching power and more appeal to students than articles, textbooks, or case studies. Because students are apt to enjoy reading fiction, it is likely that they may grasp ideas quicker and better than when more conventional teaching methods are used. For many people, pure theory is not as exciting as a good story.

A compelling and relevant story stays in one's memory. Graduate and undergraduate business students have grounds for paying attention to novels concerning the business world. Many graduate business students are already in the world of entrepreneurship, manufacturing, and finance, and undergraduate business students aspire to soon enter the corporate world. Novels can provide examples of challenges that a student may one day confront. It is no wonder that business novels connect with such students and work their way into the students' thinking.

Novels can come close to mirroring reality and are able to illuminate the full context of a situation. Novels about business describe life as lived in the world of commerce. Situations in novels can be more realistic than the hypothetical examples postulated in articles, case studies, or lectures. A novel can provide a superb background from which to view business. A well-written novel about business can pose complex questions and deepen a student's capacity for critical thinking. Such a novel can bring management problems and issues of business ethics to life by contextualizing organizational and moral questions and dilemmas. Ultimately, one's character may be influenced by reading fiction. This pedagogical method may stimulate the moral cognition and insight of the reader. Some narratives have the potential to open one's eyes with respect to what is really important.

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Unfortunately, most novels are not representative of the real business world. It can safely be said that businesspeople have not fared well in novels on the whole. The literary culture is often unflattering in its depictions of businesspeople and capitalism, has attacked business and industry for destroying an old communal order based on equality, laments the capitalist preoccupation with material success, and abhors the dominance of large organizations in people's lives. Many novels go so far as to portray businesspeople with hostility and derision.

Fortunately, Rand's *Atlas Shrugged* portrays the entrepreneur in a positive manner by emphasizing the essential moral nature of business and the legitimacy of people engaged in business, showing us the energy and fortitude of the diligent men and women of commerce, and the value of the entrepreneur as wealth creator and promoter of economic progress. *Atlas Shrugged* depicts the businessperson's role as potentially heroic. *Atlas Shrugged* shows the business hero as a determined, creative, and independent thinker who follows an idea to its accomplishment. Rand's novel dramatizes the positive qualities of the business by illustrating the victory of individualism over collectivism, portraying successful businesspeople as noble and attractive, and by characterizing business careers as at least as honorable as careers in other professions, if not more so.

Atlas Shrugged is now being taught in colleges and universities in a variety of courses. It is being used in the classroom to study the moral foundations of capitalism and commerce and related topics in philosophy, economics, free enterprise, management, business, and other areas.[7] For example, due to the tireless efforts of John Allison, former CEO and chairman of BB&T Bank, there are now nearly seventy programs at institutions of higher learning that use *Atlas Shrugged* in their classes. This novel provides an excellent base for teaching issues in business, business ethics, economics, and political and economic philosophy. The use of *Atlas Shrugged* aids in moving between abstract principles and realistic business examples. The novel serves as a link between philosophical concepts and the practical aspects of business and illustrates that philosophy is accessible and important to people in general and to businesspeople in particular.

Atlas Shrugged fosters a spirited exchange of ideas among students in the classroom as many students respond strongly and positively to this novel and its heroes. The novel presents the pursuit of profit as thoroughly moral, makes the discussion of capitalism intellectually legitimate, provides a powerful critique of socialism, and challenges the prevailing beliefs of our culture. Students are impressed with *Atlas Shrugged*'s prophetic nature. It portrays the U.S. economy collapsing due to government intervention and regulation, politicians placing the blame on capitalism and free market, and the government countering with

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ever more controls that further the crisis. Government intervention is shown to discourage innovation and risk taking, and the novel portrays how regulations in a mixed economy are made with political interest groups lobbying the government, which grants favors to those who have the most votes, political pull, or influence.

I use *Atlas Shrugged* to help undergraduate business students better understand the philosophical, moral, and economic concepts underlying business and capitalism. I incorporate Rand's novel into my "Conceptual Foundations of Business" course at Wheeling Jesuit University. In the class, students take turns leading discussions on all thirty chapters of Rand's 1,168-page novel.[8] During class discussions, students cite specific scenes and passages and their accompanying page numbers. During the last five class sessions I deliver detailed and in-depth lectures on *Atlas Shrugged*. The final exam consists of an essay exam on the novel.

My book, *Capitalism and Commerce*, provides a discussion of the philosophical, moral, and economic foundations upon which a capitalistic society is constructed. Rand's novel becomes the vehicle for the incarnation of these ideas—bringing abstract philosophy to life through character and plot.

The novel shows students in this course that the only way for man to survive in society is through reason and voluntary trade. *Atlas Shrugged* focuses on the positive and shows students what it takes to achieve genuine business success and how to create value.

Like Aristotle, Rand maintains an agent-centered approach to morality and focuses on the character traits that distinguish a good person. Reading *Atlas Shrugged* prompts students to think about what makes up a good life. Rand's business protagonists are shown to live by correct principles and acquire pertinent character traits. The villains in the novel show what happens when people hold incorrect principles and fail to cultivate indispensable virtues.

Some discussions in class revolve around virtues such as rationality, independence, integrity, justice, honesty, productiveness, and pride. The novel's characters are analyzed to see if these are absent or present in them. The novel teaches students that there are traits that correlate with business success and success in life. These include independent vision or foresight, an active mind, competence, confidence, personal or egoistic passion, a drive to action, the love of ability in others, and, above all, having virtues.

Atlas Shrugged presents a thought-provoking portrait of entrepreneurs who won't allow politicians to kick them around anymore. The novel presents steelmakers, railroad tycoons, and bankers as heroes—the problem solvers, producers, and thinkers. If Rand were writing today, she would likely be including software designers, builders of telecommunications networks, and those who work with photovoltaics, cryogenics, aerogels, biochips, radio-wave lighting,

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microelectromechanical systems, quantum chips, shape-memory metals, and so on.

The class discussion of heroes in *Atlas Shrugged* leads to comparisons with real-life business leaders such as Bill Gates, Ken Iverson, Jack Welch, Sam Walton, Steve Jobs, Thomas Edison, Michael Dell, Michael Eisner, Edwin Land, Henry Ford, Walt Disney, Roberto Goizueta, Fred Smith, Ginni Rometty, Marissa Mayer, Meg Whitman, Denise Morrison, and Sheryl Sandberg. The class dialogue centers around the character traits, principles, decisions, and actions of these individuals.

In my course, I use the novel to show that there are good and bad businesspeople, and that they don't always act virtuously. There are two types of businesspeople. There are those who lobby government for special privileges, make unethical deals, and engage in fraud and corrupt activities. In addition, there are the real producers who succeed or fail on their own. Rand's book illustrates what it takes to attain authentic business success and how to create value.

In a tribute article to the "money-making personality," Rand ([1963] 2011, 68–70) draws a contrast between mindful people of independent judgment who make money and the mindless socially dependent looters who appropriate it:

> The Money-*Maker* is the discoverer who translates his discovery into material goods. In an industrial society with a complex division of labor, it may be one man or a partnership of two: the scientist who discovers new knowledge and the *entrepreneur*—the businessman—who discovers how to use that knowledge, how to organize material resources and human labor into an enterprise producing marketable goods.
>
> The Money-*Appropriator* is an entirely different type of man. He is essentially non-Creative—and his basic goal is to acquire an unearned share of the wealth created by others. He seeks to get rich, not by conquering nature, but by manipulating men, not by intellectual effort, but by social maneuvering. He does not produce, he redistributes: he merely switches the wealth already in existence from the pockets of its owners to his own.
>
> The Money-Appropriator may become a politician—or a businessman who "cuts corners"—or that destructive product of a "mixed economy": the businessman who grows rich by means of government favors, such as special privileges, subsidies, franchises; that is, grows rich by means of *legalized force*. . . .

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> The Money-Maker, above all else, is the originator and innovator. The trait most signally absent from his character is *resignation*, the passive acceptance of the given, the known, the established, the *status quo*. He never says: "What was good enough for my grandfather is good enough for me." He says: "What was good enough for me yesterday will not be good enough tomorrow."
>
> He does not sit waiting for "a break" or for somebody to give him a chance. He makes and takes his own chances. He never whines, "I couldn't help it!"—he can, and does. . . .
>
> The man who will never make money has an "employee mentality," even in an executive's job; he tries to get away with a minimum of effort, as if any exertion were an imposition; and when he fails to take the proper action, he cries: "But nobody told me to!"
>
> The Money-Maker has an "employer mentality," even when he is only an office boy—which is why he does not remain an office boy for long. In any job he holds, he is committed to a maximum of effort; he learns everything he can about the business, much more than his job requires. He never needs to be told—even when confronting a situation outside his usual duties. These are the reasons why he rises from office boy to company president. . . .
>
> It is only the Money-Appropriator who lives and acts short-range, never looking beyond the immediate moment. The Money-Maker lives, thinks and acts long-range. Having complete confidence in his own judgment, he has complete confidence in the future, and only long-range projects can hold his interest. To a Money-Maker, as well as to an artist, work is not a painful duty or a necessary evil, but a way of life; to him, productive activity is the essence, the meaning and the enjoyment of existence; it is the state of being alive.

Rand's business protagonists are independent, rational, and committed to the facts of reality, to the judgment of their own minds, and to attaining their own flourishing and happiness. Each one thinks for himself, actualizes his potential, and views himself as capable of dealing with life's challenges and as deserving of achieving success and happiness. *Atlas Shrugged* makes a case that the legitimate businessperson is a befitting symbol of a free society.

Atlas Shrugged also recounts the rise of "businessmen" who seek "profit" by currying favor with dishonest politicians. They refrain from rationality and

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productivity by using their political pull and pressure groups to rob the producers. Rand condemns those who would loot the individuals who create human progress and prosperity.

Government intervention discourages innovation and risk taking and obstructs the process of wealth-creation. In *Atlas Shrugged*, the producers' minds are shackled by government policies. Lacking the freedom to create, compete, and earn wealth, the independent thinkers withdraw from society. This is Rand's recommended response to the bureaucratic assault of the entrepreneurial spirit.

Atlas Shrugged delineates government intervention as the great enemy of the entrepreneur. Rand details how government intervention into private markets produces costs and consequences more harmful than the targeted problem itself. Socialistic bureaucrats attempt to protect men from their own minds and tend to think only of intended, primary, and immediate results while ignoring unintended, ancillary, and long-term ones. Government-produced impediments to a free society are shown to include taxation, protectionism, antitrust laws, government regulation, social welfare programs, monetary inflation, and more.

Atlas Shrugged is a great story that helps students to understand the nature of the world in which they live. It illustrates that only a free society is compatible with human nature and the world and that capitalism works because it is in accordance with reality. Capitalism is shown to be the only moral social system because it protects the human mind, the primary means of human survival and flourishing. *Atlas Shrugged* is a powerful tool to educate, persuade, and convert people to a just and proper political and economic order that is a true reflection of human nature and the world properly understood.

NOTES

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1. In *Atlas Shrugged*, Ayn Rand assigns names of individual owners to companies operated by legitimate producer businesses and collectivist-sounding names to companies run by inauthentic looter businessmen. Among those companies in the first category are Rearden Steel, Taggart Transcontinental, Wyatt Oil, d'Anconia Copper, Danagger Coal, and so on. Examples of firms in the second category are Associated Steel, Amalgamated Switch and Signal, and United Locomotive Works. The men who attached their names to their companies ultimately became strikers during the course of the story.

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2. Luskin and Greta (2011) introduce readers to real-life business heroes who have lived their lives like *Atlas Shrugged*'s fictional heroes and the scoundrels who have lived like Rand's fictional villains. For example, on the business hero side the book presents John Allison as John Galt, Bill Gates as Hank Rearden, and T. J. Rodgers as Francisco d'Anconia. On the business villain side the authors cite Angelo Mozilo as Jim Taggart and Barney Frank as Wesley Mouch, who is a politician who meddles in the economy rather than actually working in the business world.

3. See Locke 2000, Rand [1963] 2011, Locke 2009, and Ghate 2009 for excellent discussions of businesspeople as heroes and prime movers.

4. Ayn Rand's Objectivist virtues as a basis for morality and success in business are discussed in depth in Greiner and Kinni 2001, Woiceshyn 2012, and Younkins 2012.

5. Salmieri's 2009 essay in Mayhew 2009 is based on his 2007 audio course.

6. A great deal of the material found in Wright's 2007 audio course can also be found in his 2009 article in Mayhew 2009.

7. Several recent articles have discussed how *Atlas Shrugged* can be integrated into college economics courses. See Boettke 2005 and 2007, Kent and Hamilton 2011, and Chamlee-Wright 2011.

8. I have my students read the entire text of *Atlas Shrugged* in my "Conceptual Foundations of Business" course. Some faculty members at various institutions choose to selectively assign portions of it to their students. For example, Michelle A. Vachris (2007) of Christopher Newport University assigns pages to be read and typed answers to discussion questions to be brought to class and used as the basis for class discussions in her "The American Economy in Literature" course. Here is a summary of her page assignments and related discussion questions: (1) Who benefits and who is hurt by the Anti-dog-eat-dog Rule? What are some possible unintended consequences? (Rand 1957, 74–88); (2) Who benefits and who is hurt by the Equalization of Opportunity Bill? What are some possible unintended consequences? (130–36, 217–18, 270–71); (3) How does Galt's motor work? What would be the economic effects of such an invention? (287–91); (4) Who benefits and who is hurt by the Fair Share Law? What are some possible unintended consequences? (298–99, 360–67, 499–500); (5) In Francisco d'Anconia's "Money Speech": What are the roles of money and profit? Find examples that illustrate the differences between the voluntary nature of the market and the coercive nature of government (409–15); (6) Find examples of self-interest versus the public good (475–84); (7) Who benefits and who is hurt by Directive Number 10-289? What are some possible unintended consequences? (535–49); (8) Compare and contrast the two different views of why the Twentieth Century Motor Company failed (321–24; 660–72); (9) Explain the role that self-interest has in the market economy (701–61); and (10) Find examples of capitalism versus collectivism in terms of their views about prices, profit, and property rights (1009–69).

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